



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

It was our design to have given something like an analysis of this history, and to have presented our readers with an abstract of three very interesting chapters, in the second volume, relating the history of the insurrection in Peru, in the last century under Tupac-Amaru, a descendant of the Incas. But we have been obliged to cut our article short, to make way for other topics, which seemed to us of more moment; and we take leave of the subject of South America for the present, with the design of reverting to it frequently in our future numbers.

ART. XXIV.—*Thoughts on Political economy, in two parts, by Daniel Raymond, Counselor at law. Baltimore, Fielding Lucas, jr. 1820. 8vo, pp. 470.*

It would have been no derogation from the merit of this work, had it appeared before the public with humbler pretensions. It condemns the systems and reasonings of the most eminent writers on the same subject, in language by no means courteous, lays claim to complete originality, and takes pains to express an utter contempt for all modern critics. The science of political economy is so little an object of popular attention, and has really made so much progress unobserved by the community, that the student, on first engaging in it, is apt to be astonished at the result of his inquiries, and to fancy that what is so new to him must be new to others. But in this as in other pursuits, the boast of superior wisdom does not arise from an excess of knowledge so often as from a want of it. It is also quite natural for a young author to try to quiet or conceal his fears of the critics, by shutting his eyes and turning his back upon them, like the ostrich hiding his head, and thinking he has escaped the hunters. Nothing can be more indiscreet than this; since it betrays the terror which it is designed to conceal, and might tempt a wanton or illnatured reviewer to sport with his dreaded authority, and make game of his victim. We have no such intention. The question is not what this writer thinks of critics, but what he thinks on political economy, and to this topic we shall confine our remarks.

No one can doubt the importance of using all terms of science in a known and definite sense, but it is too much to

conclude with this writer that an author does not understand the meaning of a word, because he does not, or even because he cannot formally define it. Many useful treatises have been written on the preservation of health and the prolongation of life, without defining life or health; and though the definition of *man* has been a desideratum among philosophers from the time of Plato to the present, speculations on our physical, moral or intellectual nature are not therefore more obscure or ambiguous. It is a much more common source of uncertainty and confusion, and one not sufficiently guarded against in the work before us, to use the same word in different senses. He who employs a new term, or an old term with a new meaning, ought indeed to define it; but it is far more important that he should always give it the same signification; for if it denote one thing in the premises of an argument and another in the conclusion, this is false reasoning, and proves nothing. We shall first call the attention of our readers to this author's definition of National Wealth.

‘ If we would have correct and clear notions of national wealth, we must be careful to keep in mind the distinct notion of a nation itself, and not confound it with the individuals or any portion of individuals of which that nation is composed; a thing that is often done by the best writers on political economy. It is indeed the prevailing error of every writer on the subject that I have read. While they profess to treat of national interests, they depart from the subject and treat of individual interests, or of the interests of some constituent part of the nation, which causes ambiguity and want of precision.’—‘ A nation, it is true, is an artificial being or a legal entity, composed of millions of natural beings, still it possesses all the properties and attributes of a being, which are as distinct and strongly marked as the properties and attributes of any natural being, and these must be constantly borne in mind, if we would reason correctly on the interests or rights of this being. A nation is a *unity*, and possesses all the properties of unity. It possesses a unity of rights, a unity of interests, and a unity of possessions; and he who professes to treat of the interests of this unity, but departs from them and treats of the interests of some constituent part of it, will just as certainly arrive at a wrong conclusion, as the arithmetician would, who in performing an algebraic computation should leave out one term of the equation. The interests of a nation and the interests of individuals composing that nation may be, it is true, and often are in unison. They may be identical, but they are not necessarily so; so far is this from

being the case, that they are often directly opposite. So national and individual wealth may be the same, but they are not necessarily so. It will be shewn hereafter that individual wealth is often national poverty, and I think I shall be able to show conclusively that the word wealth, as applied to individuals, never can with propriety be applied to a nation.' pp. 26—28.

If the author would imply that writers on political economy generally consider a nation to consist of a part of the individuals composing it, or the interest of any particular class to be always identified with that of the nation, he misunderstands them. Few have committed so gross an error. They uniformly admit a nation to be a unity, one body, but an aggregate body, consisting of all its members; so that if any one be impoverished, and neither the government nor any individual be at the same time benefitted or enriched, the nation on the whole is a loser. If, however, he intends to assert, as we suppose him to do, that all the individuals constituting a nation are not the nation, and the interests of all not the national interests, it must be admitted that he differs from most writers on this subject in his use of the term. A nation, considered as entirely distinct from the whole mass of individuals who compose it, must be, as he asserts, only an artificial being, a mere legal entity, differing from its citizens as a corporate body does from its members. To us at least the word conveys no third intelligible meaning, and we presume this to be the meaning of the author, for he elsewhere says, that 'in reality a nation is a corporation,' and ranks among political corporations 'nations as contra-distinguished from the individuals of whom they are composed.' p. 425.

In this sense the property of the nation is the property which it holds as a corporation to the exclusion of individuals, such as its public lands, the money in its treasury, its fleets and arsenals, and may undoubtedly be increased by taxes, which shall oppress and impoverish all the people. The national interests in this sense may often appear hostile to those of all the citizens. We have two objections to this definition. One, that to increase the property of the nation thus understood is the object not of political economy in general, but of the single department of finance; the other, that the author himself commonly uses the term and reasons from it in a different sense. Thus, he assumes throughout, that the interests of all individuals ought to yield to those of the

nation. But with his definition, this cannot be admitted. The nation, as a corporation, a mere legal being, is created solely for the good of all its members ; it is a mere instrument to promote their happiness, and so far are its interests from being paramount to those of the whole people, that in well constituted governments they are universally made subservient to them.

Allowing the author, however, to define the word as he will, how does it help him to ascertain what is national wealth ? 'Individual wealth,' he tells us, 'is the possession of property, for the use of which the owner can obtain a quantity of the necessaries and comforts of life ;—a definition sufficiently accurate to show that he means to use the term in its ordinary acceptation. 'National wealth,' he defines 'to be a capacity for acquiring the necessaries and comforts of life.' But can a nation, as a corporation totally distinct from all those who compose it, have any wealth in this sense ? What is meant by the capacity of this artificial corporate being independent of its property ; and what by its necessaries and comforts of life ? How can a mere legal entity have wants or enjoy comforts ? To us the definition is utterly unintelligible, unless it signify the capacity of all the individuals constituting a nation to procure the necessaries and comforts of life for themselves ; and if it mean this, then in this very definition, a nation is not regarded as a corporation distinct from all its members, but as an aggregate body consisting of them. Our objection to it thus understood is, that it is too extensive ; including strength, intelligence and skill, which cannot with any propriety be termed wealth, though they are sources of it. And besides, if the word *capacity* is here designed to comprise the *means* of accomplishing the object proposed, which it must do, unless property is entirely excluded from the definition of national wealth, then it embraces the whole circle of the arts and sciences ; for they are all means of supplying the wants and promoting the happiness of men, and political economy must treat of 'all things knowable.'

It may well treat of all studies and pursuits so far as they affect the wealth of the nation as an aggregate body or in its corporate capacity, but to make them directly and in all respects the objects of investigation, by calling them all national wealth, would tend to render our speculations on this subject

extremely vague and unsatisfactory. It is only by confining each science to some specific object, by a just and appropriate division of mental labour, that the boundaries of human knowledge can be much extended. The influence of religion on the security of property is fairly within the scope of political economy, but the investigation of its truth and its sanctions, essential as they are to human happiness, is no part of this science. For ourselves, we think the best definition of national wealth is that given by Say, and generally adopted, as we believe, by modern writers, according to which it includes the aggregate wealth of all the individuals composing the nation, together with that belonging to it as a corporate body. We are not aware that the phrase is ever used in the loose and indefinite sense assigned to it by our author, excepting in the *Inquiry into the nature and origin of public wealth*, by the Earl of Lauderdale, an author of whom it has somewhere been said, that he wrote a whole book to prove that he did not understand Adam Smith.

In the same work may be found the assertion, so much relied on in the book before us ; that a nation cannot possess wealth in the same sense as an individual. It is readily admitted, that according to the letter of the definition of individual wealth quoted above, a nation as a corporation cannot possess it, since it can require no necessaries and enjoy no comforts. In common language, however, the wealth of a nation in its corporate capacity is the public property, that which is entrusted to the administration of the government ; and surely it needs no argument to show that a nation considered as an aggregate body, or in other words, a number of individuals taken together, may have individual wealth. It is objected that they cannot sell any part of their lands to foreigners. This may be illegal and impolitic, but we know not that it is in the nature of things impossible. At any rate it is not denied that they may sell the produce of their lands, and in so doing they as effectually sell the use of them, as if they received rent for it.

The word *value* has embarrassed some of the best writers on political economy, and we do not think that our author has succeeded in his attempts to explain it. He states the important distinction established by Adam Smith, between value in use and value in exchange, and observes very justly, that the word *value*, when used without qualification, is now universally

understood in this science to signify the latter. The following remarks are taken from the third chapter.

‘Value means the price or worth of a thing, and expresses the relative price which one thing bears to another, and is used only in exchanging one commodity for another. We cannot speak of the price or value of an article except in reference to an exchange of that article for some other. If a man exchange an orange for an apricot or a piece of money, he may estimate its value or price, and say it is of the value of the apricot or of the piece of money, but if the orange is for his own eating, he cannot estimate its value ; the gratification of his appetite is not the subject of value, because it cannot be exchanged.’—‘There are objects, to which the word value may be applied, but those objects are not the necessities of life nor national wealth. I do not mean by this, that the word value cannot be applied to bread and meat ; for among individuals where there is an abundance of these, and some have more and others less than they want, these things have a price and may be valued, as well as any thing else. If an individual has a greater quantity of wheat and beef than is necessary for his own consumption, he may exchange it for money or land, which increases his wealth, and it therefore has a value, but that which is necessary for his own subsistence can no more be valued, than his life can be valued. If the surplus wheat and beef could only be exchanged for something to gratify the appetite, or the vanity of the individual, it could not be the subject of value, unless the enjoyment of the individual in the gratification of his appetite and his vanity could be valued. So that portion of the net produce, which a nation consumes itself, can have no value, because the word value cannot be applied to it any more than to life or to enjoyment. If it has a surplus, and exchanges that surplus for commodities for its own consumption, still the word value cannot be applied, because this is but a different mode of consuming its net produce. If it exchanges its surplus produce for land or money, which it can rent or loan for a quantity of the necessities and comforts of life, then this surplus so disposed of has a value, and this is the only portion of the net produce, that can with propriety be said to be the subject of value.’ pp. 46—48.

‘The necessities of life have a value when we exchange them, that is, an exchangeable value.’ p. 81.

The word value, it is here said, cannot be applied to national wealth. If by calling national wealth a capacity, our author would have it understood to be a mere power, independent of the means and instruments which it uses, and

would exclude from his definition all that is styled wealth in the ordinary acceptation of the term, then indeed it is not exchangeable and has no value; for no man or body of men can exchange their capacity. But if national wealth include the wealth of individuals, this may be exchanged. The necessaries of life we are told are not exchangeable. Why not? May not the spendthrift squander his substance and starve in the streets? May not an individual, who has only so much wheat and beef as he can consume, exchange them for something else, for potatoes and fish? Or shall we be told that the author means not necessaries in the concrete, but necessaries in the abstract, or be required to restrict the term to some specific thing, whose consumption is essential to the life of its possessor? We can only say then, that there is no such thing in the creation, and that necessaries in the abstract are as incapable of being consumed as exchanged.

What shall we say to the assertion, that an orange bought by a man for his own eating has no value? When it is eaten, indeed, it has no value, because it has no existence; but till it is consumed, it is capable of being exchanged, and has therefore a value. But the gratification of his appetite cannot be exchanged. What then? The gratification of his appetite is not the orange. The value of a thing does not depend on the fact of its being exchanged, still less on the intention of the possessor to keep or to exchange it, but on its being exchangeable. In the passage just cited, and in some others, value in use seems to us to be confounded with value in exchange, though the writer professes to observe the distinction between them. To a man who possesses only the articles of food requisite for his support, these are of inestimable value in use; the advantage, which he derives from their consumption, is incalculable; it is the support of his life, and no price can be put upon it. But their exchangeable value, the price for which they can be sold in the market, is a very different thing, and may be easily ascertained; nor has it any thing to do with the question, whether their owner has other means of subsistence or not. How would you make out a price-current, if the exchangeable value of commodities or their price, which is nothing but this value expressed in money, could be ascertained only by inquiring into the wealth or poverty of those who happened to have them in possession?

Whatever is appropriated by any person to himself exclusively is his property, and whatever may be thus appropriated is an object of property, but it is not necessarily valuable. The shell or the pebble, which the savage picks up on the sea-shore, the water he has scooped from the fountain, his seat in the sunshine are his property, yet they have no value, in the sense given the word in this science, unless they can be exchanged for something else. Property, which can be exchanged, has for that very reason a value; that, which cannot be, has none. The word denotes the relation of different things to each other considered as exchangeable, and in the absence of all comparison has no meaning. The value of an article consists in the power it gives its possessor to exchange it for others, and depends on the quantity of all others for which it can be exchanged. Having ascertained how much of several different commodities may be obtained in exchange for any one valuable thing, we can determine by arithmetical calculation, in what proportions they can be exchanged for each other. Hence, whatever has a value may be taken to measure the relative value of other things, as whatever has length may be made the measure of their relative length; and in determining the relative value of different things at the same time and place, whatever be the instrument by which they are severally measured, our conclusions will be perfectly correct. At a given time and place then, the best measure is the money in current use, whether it be wampum, cowries, or gold; because the relative value of articles is best ascertained by actual exchange, and the current money is exchanged for other commodities more frequently than anything else.

But the problem, which has engaged the attention of writers on political economy, is to measure the relative value of the same thing at different times or places, not that of different things at the same. This object is accomplished by ascertaining the value of any thing at the one time and place, in proportion to that of any thing at the other; for each of these things may be used to measure the relative value of all commodities at one of these times and places, and the value of any commodity at one may be compared with its value at the other, by combining the relation it bears to each of these measures with the relation of the measures to each other. It is in truth measuring with two different instruments, whose

proportion to each other is known. Now, as the most convenient instrument for measuring the relative value of commodities in any one age and country, is its current money, we should first ascertain the relative value of given quantities of the monies current in the ages or countries to be compared, and then by combining the difference in the price of any commodity with the difference in the value of the currencies used to express its price, we may learn the difference in the value of that commodity. The relative value of these different currencies can only be determined by comparing them with some article, which is supposed to have the same value in both the times or places to be compared, and it is such an article, which has been so long sought under the name of a standard of value.

At the present day labour is not deemed, as it was by Smith, an invariable standard, and nothing else has ever been thought so. It is obvious that the best standard is that, with regard to which the circumstances producing changes of value are most nearly the same in the ages and countries to which it is to be applied. These circumstances are the cost of production, and the proportion between the supply and the demand. Changes in the first of these are deemed the sole cause of variations of value by Ricardo, and changes in the last by Malthus, but in our opinion a change in either of them, all other things being equal, may alter the value of any commodity. But however this may be, each of these writers must still allow that both circumstances should be taken into consideration in selecting a standard of value; for Ricardo admits that local and temporary variations may be produced by changes in the demand or supply, and how can we know that such have not occurred in one of the times or places which we would compare; or if Malthus be right in asserting that a change in the cost of producing any thing affects its value only as it has a contingent effect on the supply or demand, yet the best mode of estimating that effect is by examining its cause; and so, though changes in the cost of production be not the proximate cause of variations in value, they may be the surest indication of their extent.

If the inquiry be, what is the best standard of value to be applied to different countries having a free communication with each other at the same time, we should answer, the precious metals; not only because they are most frequently

exchanged for other commodities and therefore most convenient, but because their great value in proportion to their bulk renders them easy of transportation, so that we cannot suppose any great difference in the labour required to bring them to market in different countries ; and the same circumstance together with their general use prevents any great difference in countries having an intercourse with each other in the proportion between the supply and the demand. But in comparing the value of any commodity in Europe now with its value five hundred years ago, the precious metals are not a good standard. When we are informed that the wages paid for a day's labour in the time of Edward II. were one penny, how can we tell what was the condition of the labourer or the value of his wages, till we have inquired what this penny would buy ? Both the truth and importance of this consideration may be illustrated by the story told of lord treasurer Burleigh and sir Thomas Smith, secretary of state in the reign of queen Elizabeth. Observing, it is said, how greatly the relative value of the precious metals had fallen, and desiring to uphold the revenues of the colleges, they procured an act of parliament to be passed, providing that one third of the old rent then paid on college leases should in future be reserved in wheat or malt ; and it is found, to the credit of their sagacity, that though the corn rents were originally only one third of the whole, or half the value of the rents reserved in money, yet now they are in common years worth twice as much.

One of the best standards for ascertaining what change has taken place in the value of any commodity in England in the course of the last four or five centuries, is wheat at its price in ordinary years ; because the labour required to produce it has not greatly changed, and since it was then, and still is a principal article of food, the supply on an average bears nearly the same proportion to the demand. For the same purpose labour is an equally good standard, though we hardly dare to assert with Smith, that equal labour requires in every age and climate, and among every people, the same effort. If it were desired to compare the value of an article in a country whose inhabitants lived by the chase, with its value in the same country when they should become civilized and should support themselves by agriculture, neither game, which from being a necessary of life would

have become a luxury, nor wheat, which from a luxury would have become a necessary, could be a proper standard of value. So if we would compare the value of any commodity in a fertile region just opened to the tide of emigration, and where of course the demand for labour must greatly exceed the supply, with its value in the same country at a subsequent period, when it was swarming with inhabitants, labour would be a bad standard. Malthus proposes a mean between corn and labour as a standard, and undoubtedly the greater the number of articles assumed to correct our measures of value, if these articles are well chosen, the better. But abandoning the idea of a universal standard of value, the question what is the best and most convenient, in any case, cannot be determined, unless we know for what particular purpose it is to be used.

But to return to our author ; one of the discoveries to which he attaches the most importance is, that the earth is the only source, and labour the only cause of national wealth ; but he informs us that we are not here to understand by national wealth a capacity, according to his own definition of the term, since the earth cannot be called the source of strength and skill, or of the arts and sciences. He explains his meaning to be, that the earth is the source or fountain whence we derive the necessaries and comforts of life ; so that national wealth here denotes the necessaries and comforts of life. But to render the proposition correct, the term must be still further restricted to material things, for in what sense can the earth be styled the fountain of poetry and music, which he expressly admits to be comforts of life ; and even with this restriction a claim may be put in on behalf of the sun, whose light and heat are material and as essential to vegetation as the soil. Nor can the atmosphere be excluded. Taking the earth then to signify the world we inhabit and all that it contains, it is undoubtedly true that it is the only source of wealth, meaning thereby material property. But to what does the proposition thus explained amount ? Simply, if we comprehend it, to this ; that man cannot adapt to his use nor render valuable any thing but what actually exists in the world ; cannot create new matter, but only appropriate and modify what is already created ; and that he cannot do even this, without some exertion. The assertion will not be denied, but we are quite at a loss to discover what useful deduction can be drawn from it.

This author follows Ganilh and some others in condemning Smith's distinction between productive and unproductive labour; but, if we may judge from the following remarks, is not aware of the precise object of that distinction.

'I say, on the contrary, that all labour is productive, which causes any of the necessaries or comforts of life; nor do I restrict the necessaries and comforts of life to food and clothing, but extend the meaning of the words so as to include every thing, which is useful to man as a member of civil society, or which contributes to his innocent enjoyment and happiness. To call the highest exertion of intellectual power for the promotion of human happiness unproductive labour, is a gross abuse of language and an unpardonable degradation of the benefactors of mankind. We are gravely told that a man who wields the spade or throws the shuttle is a productive labourer, while Bacon, Newton and Washington were unproductive labourers.'—'The occupations of the poet, the painter and musician are productive, because their labour produces innocent enjoyment, but if perverted and employed in disseminating immorality, vice or lewdness, they become unproductive, because useless, or injurious to society.' pp. 204, 206.

And in another place he says,

'Whether labour is productive or unproductive depends upon whether it produces the result for which it was bestowed. If a man fiddles for bread and gets bread for fiddling, his labour is as productive to him as if he had got bread by ploughing.' p. 68.

But the term *productive* in political economy means not that which conduces to the support or comfort of men, but that which increases the value of their property, what produces not happiness, but wealth. The bread earned by the musician is not produced by him, this is what he gets; but the question is what does he give,—what does he produce; and the answer is, pleasure to those who hear him. Now this pleasure constitutes no part of the wealth of those, who receive it. They cannot exchange it, nor lay it up for future use. On the other hand, he who catches fish or raises grain not only earns bread by so doing, but gives for it the fish or grain, which is so much wealth produced, wealth which the purchaser may exchange for something else or save for use hereafter. So it is with consumption. The food we eat is inestimably important to us; it adds to our health and enjoyment, but as these are not exchangeable, it is not said to

produce wealth directly. That, which we give our cattle to fatten them for the market, directly increases their exchangeable value, and is therefore called productive. A distinction founded on this difference in the immediate effects of different occupations and modes of consumption seems to us important in a science treating of the acquisition of wealth, though it may be regretted that the terms chosen to express it are so liable to be misunderstood.

The position, on which the work before us mainly rests, is the doctrine that the accumulation of wealth is not the means of increasing the prosperity of a nation, but on the contrary the cause of its decay. This is another of the paradoxes of lord Lauderdale, and arises from supposing that the accumulation of wealth necessarily implies the hoarding of a particular commodity. Accumulation is adding value to value, and so far is it from being inconsistent with consumption, that it includes all that which is called productive consumption. When an individual, having raised a quantity of grain by his own labour, consumes it as food for his family, he accumulates nothing. But if he uses part of it to purchase and support cattle, and these cattle are worth more than all the grain thus used, he accumulates wealth, possessing as much more than he did before, as the value of the cattle exceeds that of the grain. So if, instead of consuming as fuel all the wood he has cut in the forest, he lays some of it by till he has saved enough to build a house, as soon as he employs it for that purpose, he ceases to hoard, but continues to accumulate; for he adds to the value of the wood the new value it possesses in consequence of being converted into a house. If the individual supposed had eaten all the wheat and burnt all the wood for his own comfort, they would have been consumed unproductively but usefully. If after saving them, he had left them to decay, this would be consuming them in a most unprofitable as well as unproductive manner. Supposing however that in saving them to procure cattle or a house, he had suffered some inconvenience from hunger or cold, the question whether his condition was improved by this accumulation could be decided only by determining whether the inconveniences he had thus suffered were on the whole compensated by having during the rest of his life a house to shelter him, and meat and milk as well as grain for food.

Whatever property may be productively consumed, or

exchanged for what may be productively consumed, is the means of procuring more; hence it is obvious that a man or a community, who produce in a year more than they consume, have a surplus, which enables them to produce still more afterwards; and those, who do not, are in the same condition at the end of the year as at the beginning, and have no means of rendering the following year more productive than the last. The former add a part of their revenue to their capital. But to what other end all this accumulation, than the gratification of human wants at last? To none; but it promotes our happiness, whenever the enjoyment ultimately resulting from it is greater on the whole than that which would have arisen from the immediate consumption of the revenue thus saved. Assuming however that no part of all thus saved or of all, that it is the means of producing by successive accumulations, is ever to be used in satisfying the wants of man, what then? Then to be sure it will not promote human happiness; but it will still be capable of being so used, and may therefore have an exchangeable value and constitute wealth. But the fact assumed is a moral anomaly; men will not deny themselves enjoyment now, unless to obtain some gratification hereafter; it is not in their nature to underrate the present in comparison with the future, and if they ever do so, it is an exception to common experience, and cannot be taken into consideration in general reasoning on the interests and conduct of mankind.

Thus far we have gone on the supposition that no accumulation could take place without a diminution of present comfort. But the advantages of accumulation will be still more evident, when we consider that it commonly provides for future enjoyment with no other immediate sacrifice than that of ease. The desire to accumulate without relinquishing present comforts excites industry, and the wealth accumulated by that industry stimulates men to invent new wants and at the same time affords them the means of gratifying them, and the gratification of our wants, whether real or imaginary, is enjoyment.

Upon the same page on which it is asserted, 'that if all the manufactures are worn out and all the provisions eaten up clean annually, the nation will be in a prosperous and flourishing condition,' it is likewise expressly admitted, 'that this is done among savage nations, and yet that they suffer

all the horrors of poverty and want ;' and still further, ' that if this cannot be accounted for upon principles consistent with the above doctrine, then the doctrine is erroneous.' How then is it accounted for ? ' In the first place the wants of savages, it is said, consist entirely of the necessaries of life ; they know nothing of the arts and sciences ; nor do they desire or know how to procure what we call comforts : while the wants of civilized man are innumerable and insatiable, incapable of being supplied by the labour of the individual, who would think himself in a deplorable state of poverty, if his articles even of mere food were limited to the productions of his own labour. In the second place, the manner in which their wants are supplied is still more different, the savage supplies all his wants by his own labour, and depends on the labour of others for no part of them ; while not one in five hundred of the wants of man in civil society is or can be supplied by his own labour, and he depends on the labour of others for most of the necessaries and comforts of life.' 124.

Now both these circumstances in civilized life are nothing but the consequences of accumulation, the very benefit resulting from it, and therefore instead of shewing it to be worthless, they are at once the proof and the measure of its utility. Why has civilized man more wants than the savage, but because having accumulated the means and instruments of procuring sustenance in future with very little exertion, he is induced to invent new enjoyments, and having once tasted the comforts arising from accumulation, has learned to think them essential to his happiness ? How is it that so many of his wants are supplied by the labour of others, and that others share with him the fruits of his own labour ? How could it be if each consumed all he produced, instead of accumulating something to be exchanged for something else accumulated by another. It is admitted by this writer that the wealth of an individual and of course his means of supplying his own wants may be increased by accumulation, and if the ability of all the individuals in a nation to supply their own wants be at any time thus increased, how can the national wealth in any sense of the term be thereby diminished ? So long as the savage continues to consume the flesh and wear out the skins of all the animals he takes in the chace, and to burn all the trees he fells, his condition cannot be improved.

But when he smokes and dries some of this meat for future use, and lays up a number of the skins to be exchanged for other commodities, and converts part of this wood into a rude plough, he begins to accumulate and takes one step towards civilization. Accumulation is itself the means and the only means by which the savage country becomes civilized, the civilized refined. If indeed any individual or community be incapable of improvement, can conceive no new want, acquire no additional happiness, and have in truth attained the perfection of its nature, to that individual or community, accumulation is useless, and it may wisely consume all which it produces. Such is in fact the condition of irrational animals. But in human society there are no bounds to the advantages which may be derived from accumulation, because there is no limit to the desires, the invention and the improvement of man.

This leads us to the question now in discussion between the English and French economists, Mr. Malthus and Mr. Say; which is, not whether accumulation be the means of promoting national wealth; for both admit that it is the only means, but whether there be any limit to its utility, whether production of itself ever becomes excessive. Expressly adopting the principles of Smith, they deduce from them different conclusions, Malthus maintaining the affirmative and Say the negative of the question just stated. Mr. Say certainly does his opponent injustice in supposing him inclined to countenance the extravagances of lord Lauderdale on this topic, for he explicitly disclaims his lordship's doctrine, and declares that he cannot think of any other way of increasing the wealth of a nation than by saving from its revenue to add to its capital; though he asserts at the same time that there is a limit to the benefit of accumulation, a limit which, in countries of great wealth, population and industry may sometimes be attained. It might be shewn, we think, in accordance with the principles of Mr. Say himself, that there may be a local and temporary excess of a particular commodity; that is, a disproportionate production of it; yet this, it must be admitted, can never be general or permanent, and must be of very rare occurrence in countries not greatly embarrassed by those shackles of industry, called protecting laws. With this qualification, however, the opinion of Say appears to us correct, and his reasoning incontro-

vertible, and some of the facts cited by Sismondi and some of the arguments urged by Malthus in opposition to it may be converted to its support. It seems to us a hard doctrine to assert that a uniform increase of all the means of human sustenance and enjoyment can on the whole be prejudicial to any community ; and quite unaccountable that such an assertion should come from Mr. Malthus, who has devoted so much labour and all his talents to the support of the proposition, that population will increase indefinitely and immediately in proportion to the means of subsistence. There is evidently no room for the discussion of this interesting question in the work before us, since it assumes, with lord Lauderdale, that in civilized countries, accumulation is always pernicious.

The definitions of labour and of the comforts of life, in this work, are by no means satisfactory. 'Labour,' it is said, 'is the exertion of human power for the purpose of producing the necessaries and comforts of life.' 'The comforts of life are every thing produced by labour, which we enjoy, except necessaries.' This is defining in a circle, and we cannot learn from it the meaning of either term. 'A man who fiddles or dances for bread,' we are told, 'performs labour ; but if he does it for his own amusement, or that of others, it is not labour.' Hence we must conclude that to see a man dance or hear him fiddle for pay is a comfort, to see or hear him for nothing, not a comfort ; though many would think the latter much the most comfortable of the two. What if a man, in order to have the pleasure of seeing another dance, pays him in fiddling, or if he cultivates his garden and raises fruit for his amusement ; or if a lady knits stockings or weaves bobbin for hers, are such exertions labour according to these definitions or not ?

In his chapter on the mercantile system, our author informs us, that 'the balance in favour of a nation is all its exports sell for, be it more or less ;' or, in other words, if we understand him, that its imports, whether of greater or less value than its exports, are all clear gain, which is evidently confounding the gain made by producing the commodity exported with that made by exporting it. How can it be said that the means of a nation to supply its own wants are not lessened, when its imports are less in value than its exports. Since the value of property consists in the power derived from it

by its possessor to procure for it whatever he wants, it follows that if the value of his property be less after trading than before, his ability to procure what he wants is diminished. Another position here laid down, and which seems to us not quite consistent with the former, is, that whatever a nation imports for its own use is of no value. This is deduced from the doctrine, to which we have already adverted, that whatever is destined for consumption has no value; which would prove, if true, that nothing has a value, for all things are destined to be consumed for the use of man or to be exchanged for something else for his use, and none can be of greater value than the articles for which they may be exchanged. We are told that a given quantity of merchandise imported for consumption can afford only a certain amount of enjoyment, and that therefore its value in money is immaterial. But how can a hundred dollars worth of any commodity be a quantity equal to that which is at the same time and place worth a thousand? Is it not manifest that the quantity worth a thousand dollars must be ten times greater, and may therefore afford ten times as much enjoyment?

The author, following the method of Lauderdale, proceeds in his second part to consider some of the means by which national wealth may be promoted; and very truly states the establishment of equal rights and equal laws, and the perfect security of property, which is at once the motive and the reward of industry, to be among the best and most efficient. In the chapters on Equality and Pauperism he advances a number of indistinct and disconnected if not incongruous propositions, from which, on the whole, we only gather, that he imagines some benefit may be derived from compelling the possessors of property to pay others for labour, a project as superfluous and visionary as to compel the latter to labour for pay. The labourer gives a full equivalent for his wages, and, instead of being supported by the idle, supports them; for the people subsist upon their revenue, not on their capital. Essential as we deem the accumulation of wealth to the improvement of society, we have no idea that such part of it as is not required for the immediate gratification of human wants, can be of the least use even to its possessor, unless it be employed in the hands of labour as an instrument to increase production. For his own sake, therefore, he will thus employ it. The capital of the man, who lets his money on

interest, is in the hands of labourers, who are enabled by it to produce so much more than they could otherwise do, that they not only replace it, and obtain a subsistence for themselves, but contribute something to the support or wealth of its owner. The property, which is concealed by the miser, which he will neither use himself nor permit others to use, is certainly, while thus locked up, utterly unprofitable to the community. But the number of misers and the amount hoarded by them are so small, especially since it has become lawful to receive interest for the use of money, that they are not to be regarded in the science of political economy.

We understand this writer to assert that the construction, by the government, of roads, canals, or other public works, even though they be such as are entirely useless when finished, is a public benefit. Now, in our opinion, the money expended on such an undertaking is as utterly unprofitable to society as that hidden in the cellar of the miser. This money, to be sure, is not consumed nor banished, but still exists in the nation. So does that in the miser's chest. But there has been an increase of industry.—Industry, devoted to what is absolutely useless, is no better than the industry of the miser in counting his money. The idea of a road or canal is so intimately and so justly blended with that of utility, that it is difficult to separate them even in imagination, and therefore, in order that our reasoning may not be influenced by our prepossessions, let us suppose, for the sake of argument, that the work undertaken by the government is obviously useless, such as turning a mill, in which nothing is ground, or like the task of Sisyphus, heaving a rock up hill to set it rolling down again. We have said that the money spent in carrying on such works is as ill used as if it were hoarded ; we go further, it is worse used, for its whole value is wasted and thrown away. Whenever property is lost by individuals, if neither the nation in its corporate capacity, nor any other individuals are enriched at the same time, the nation on the whole is impoverished. Now when this work is ended, what is it that has been done? Money has been raised by taxes, paid by the government to these workmen, and laid out by them for food, which they have consumed. The workmen are not enriched, having spent all they earned. Those from whom they purchased food are not more wealthy ; since the value of the food they gave was equal to the money they re-

ceived, and would have purchased the same commodities in the market ; so that they have simply exchanged one thing for another. The government has gained nothing, having paid away all it had levied. But those who paid the taxes received no equivalent, and therefore have lost all that was taken from them. Suppose that instead of raising taxes to pay the wages of these workmen, the government had required all taxable citizens to furnish a quantity of the necessaries and comforts of life, and had paid their wages in these ; would not the result have been the same, and would not the community have supported them for nothing ? Where then is the utility or the benevolence of compelling them to roll the stone or turn the mill as the condition of their support ? It is toilsome and painful to them ; it gives neither pleasure nor profit to any body. It is not even labour, according to our author's definition, for it can produce neither the necessaries nor comforts of life. It is nothing but punishment. So that the conclusion of the whole matter is, that the industrious (for whatever may be the immediate effect of taxes, they ultimately fall on industry alone) are compelled to support the idle, and the idle are employed in tormenting themselves. Would it not be better to support them without this barren drudgery, and let them devote their time to their own amusement ? Their enjoyment would thus be increased, without diminishing that of others, and so the happiness of society would on the whole be greater.

But this is not all. Had the property taken by the government for the support of these men, been left in the hands of the industrious citizens, by whom it had been produced, they would either have used it in procuring for themselves the necessaries and comforts of life, or if they derived these from some other source, would have been impelled by their own interest to employ it as an instrument of new production. If the former, then the government has deprived those, who labour successfully to produce the means of subsistence and enjoyment for themselves and others and to increase the wealth of the nation, of the comforts and necessaries of life, to bestow them on those, who are toiling to make themselves miserable and benefit nobody ;—if the latter, then this property would have been equally used to excite industry, but industry which would have preserved this capital or produced enough to replace it, besides affording a profit to its owner and a full sub-

sistence for the workmen it employed. Whenever a work is worth less than its cost, the nation loses, and it makes no difference whether it was carried on by the government or by individuals. Otherwise the wealth of a nation might be increased to any extent by the very simple process of increasing its taxes and its expenses.

The chapter on protecting duties, contained in this work, denies the position of Smith, that individuals and nations should procure all they want as cheaply as possible. It is here said that if a man can find employment only for half his time, he had better devote the residue to making the articles he wants, rather than buy them. Undoubtedly ;—but this is perfectly consistent with the doctrine of Smith, for in this case making is cheapest. According to the terms of the hypothesis, he can get nothing for the labour he devotes to making them, so that it has no exchangeable value ; nothing can be cheaper. The question is not whether labour is better than idleness, but whether it is best to supply our wants with the least possible labour, for then it is, that we supply them cheapest. No one doubts that whatever increases the productive industry of the community is beneficial ; but the position that a protecting duty, that is, a tax imposed on consumers, who are all the people, for the benefit of a particular class, tends to increase the industry of the community is the very point in dispute ; and it is much easier to take it for granted, than it is to prove it. We do not mean to say that Smith's doctrine admits no qualification or limitation, but simply that the point on which the controversy turns is only approached in this work. The topic itself we have heretofore considered and shall not now renew its discussion.*

The question, on the decision of which the merits of the colonial system of modern Europe depend, is correctly stated in the work before us. It is not, whether a nation gains by monopolizing the trade of its colonies, but whether it gains more than the colonies lose, so that the nation and its colonies taken together are on the whole benefitted by the system. It is clear that we may gain by a monopoly. It is equally clear, and appears to be admitted by this writer, that we can gain by mere monopoly nothing but what others lose. He supposes, however, that by monopolizing the trade of its

* See the article, on Foreign Commerce and Domestic Manufactures, in our number for April 1820.

own colonies, a nation gains something at the expense of foreign nations; founding this idea on the position, that the possessor of a monopoly obtains by it a profit at the cost of those who are excluded from it. But the expression is too general. The monopolist gains at the expense, not of all other men, but of those only who are bound by the authority establishing the monopoly, and therefore compelled to submit to unequal terms in dealing with him. An individual, who has a monopoly in his own country, derives by it a profit from his fellow citizens, but not from the citizens of other countries, to which his monopoly does not extend, even though he should trade with them. So a nation, possessing by treaty the monopoly of another's commerce, gains at the expense of the latter, since this is bound by the treaty; but it gains nothing by this monopoly from a third nation, which is not subjected to that treaty. In the same manner, by the colonial system a nation gains at the expense of its colonies, but not at the expense of independent countries. How does it gain? By prohibiting its colonies from purchasing of others, it is enabled to obtain from them a higher price for what it sells them, than it could otherwise do. This difference of price is obviously gained by the nation, and as obviously lost by the colonies. Again, it is said, by preventing its colonies from selling to any one but itself, it purchases their productions at a cheaper rate, and may sell them in foreign countries for a great profit. Is not this excess of profit gained at the expense of those foreign countries? By no means, but at that of the colonies alone, who, but for this monopoly, would sell directly to those foreign countries, and obtain that great profit for themselves. The colonial system is calculated to deprive the colonists of the fruit of their labour in order to bestow it on the citizens of the nation to which they are subjected, which is gross injustice, and a great discouragement to industry, and operates like other unequal laws, to the injury of the whole community. A case may be supposed, in which this system should not alter the proportion of the supply to the demand in the colonial market, and then it would be altogether inefficient, except as an instrument of revenue. The continuance of the colonial system by the nations of Europe does not prove, as our author supposes, that it is useful; since it is not continued by consent of the colonies, but merely perhaps, because those nations are willing to sacrifice the interest of their colonies to their own.

The book we have been examining is mainly founded on Lord Lauderdale's doctrine, that all accumulation is pernicious, and it is less wonderful that its writer should sometimes be surprised at his own conclusions, than that he should rely so implicitly on the soundness of the position. We shall not criticise minutely the arrangement and style of this work, but there is in it one fault of manner too conspicuous to be overlooked. We mean the frequent application of such epithets, as superficial, nonsensical, and absurd, to the works of authors of the highest celebrity, and particularly to that of Adam Smith. The *Wealth of Nations*, indeed, is an incomplete work, not embracing the whole subject, which it professes to discuss; it is quite immethodical, and sometimes perplexed, obscure and unsatisfactory; but it abounds with original and profound thought, and may be said to have established the science of political economy. Those writers of all nations, whose works have shown them to be best acquainted with the subject of which it treats, have given it distinguished praise, and acknowledged the greatest obligations to it, even while confuting some of its arguments. Considering its exalted character, and the high estimation in which it has always been held by enlightened men, it might be expected that those, to whom, on a first perusal, it should seem superficial and incoherent, would feel some diffidence in their own opinion; and even though they should continue, after a diligent examination of it, to consider it unworthy of its high reputation, yet the admiration of all Europe, during three generations, ought to shield it at least from ostentatious contempt. It is right and laudable to maintain our deliberate opinions by fair argument against any authority, however venerable or illustrious; but it does not at all invalidate the assertions or arguments of another, to lavish on them the terms nonsense and absurdity; nor give the least additional validity to our own to call them dictates or laws of nature.

It is very evident, and it is to be regretted, that our countryman has given his thoughts on political economy to the world, without having read Mr. Say's treatise on the subject, which is beyond all comparison the most complete and scientific we have seen, distinguished by profound and comprehensive views, a lucid arrangement and great clearness and precision of style. Some parts of it may be thought unsatisfactory, as for instance, his speculations on the nature and

use of money, and on the foundation of value ; and the language is sometimes so metaphorical as to admit of cavil, though the meaning of the author can rarely be misunderstood ; but it ought to be read by all who would learn the progress and present state of this science, and to be diligently studied by those, who undertake to communicate their thoughts on this important and intricate subject to the public.

ART. XXV.—*Yamoyden, a tale of the wars of king Philip, in six cantos.* By the late Rev. James Wallis Eastburn, A. M. and his friend. New York, James Eastburn. pp. 339.

THIS is one of the most considerable attempts in the way of poetry, which have been made in this country. It is no less than a metrical tale in six cantos, after the manner of Scott ; in saying which, we do not imply that it is in any obnoxious sense an imitation, for it is no more upon the model of Marmion and Rokeby, than are the Fire Worshippers of Moore, and the Bride of Abydos, Parisina, &c. of Lord Byron. The success of its inventor has given a classical character to this form of a poem between the ballad and the epic, and the author who adopts it is no more to be reckoned an imitator, than others who for no better reason divide epics into twelve parts, and tragedies into five.

Yamoyden is the joint production of two gentlemen of New York, one of whom, at the time of its completion, had numbered but twenty years, and the other was two years his junior. The former,—to whose history, as partly sketched in a very unostentatious manner in the advertisement, the work owes not a little of its interest,—first projected it in 1817, while pursuing theological studies at Bristol, Rhode Island, in which place and the vicinity the scene is laid. The plan was matured when the authors knew no more of the history of which they designed to make use, than they had gathered from a few pages of Hubbard's Narrative of the Indian Wars ; and the poem, written in such moments as could be spared from severer occupations, was mutually communicated within six months after ;—an example of rapid execution fully equal to Southey's epic of six weeks ; for in